

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA  
RALEIGH DIVISION

IN RE:	)	CHAPTER 7
	)	
INTERNATIONAL HERITAGE, INC.	)	CASE NO. 98-02675-5-ATS
	)	<b>FILED</b>
Address:	)	
2626 Glenwood Avenue, #200	)	<b>MAR - 3 1999</b>
Raleigh, NC 27608	)	
	)	PEGGY B. DEANS, CLERK
TAX ID#56-1921093	)	U.S. BANKRUPTCY COURT
	)	EASTERN DISTRICT OF N.C.
Debtor.	)	

**RESPONSE TO MOTION OF CHITTENDEN BANK  
FOR RELIEF FROM STAY**

NOW COMES Holmes P. Harden, Trustee, through special counsel, and responds to Chittenden Bank's Motion for Order Releasing Reserve Account, Determination of the Applicability of the Automatic Stay, or for Relief of the Automatic Stay. In response to Chittenden's motion, the Trustee states as follows:

1. The Trustee objects to the entry of an order releasing the accounts in the name of the Debtor held by Chittenden Bank, any order determining that the automatic stay does not apply to protect such accounts, or any order granting relief from the automatic stay.

2. The "Merchant Processing Agreement" attached to Chittenden's motion is, in large part, unreadable. The Trustee has requested but not received a readable copy of this agreement.

3. The majority of cases addressing the issue have held that post petition "chargebacks" against a so-called "Reserve Account" are not allowed absent relief from the automatic stay.

4. The Trustee has requested, but has not received, all documentation in the possession of Chittenden which relates to the timing and legitimacy of the alleged chargebacks.

5. Prior to the stay being lifted, the Trustee should be given an opportunity to review each and every alleged chargeback for legitimacy, to determine whether or not such chargebacks occurred pre or post petition, and to challenge Chittenden's proof of specific chargebacks accordingly.

WHEREFORE, the Trustee respectfully prays that the court leave in place the

automatic stay until such time as the Trustee has had opportunity to specifically review a readable copy of the Merchant Processing Agreement as well as documents supporting the alleged chargebacks.

This the 3d day of March, 1999.

MERRITT, WOOTEN & JANVIER, P.A.

A handwritten signature in dark ink, appearing to read "William P. Janvier", is written over a horizontal line.

William P. Janvier, N.C.S.B. No. 21136  
Attorneys for Trustee  
434 Fayetteville Street Mall, Suite 2010  
P.O. Box 3007  
Raleigh, NC 27602-3007  
Telephone: (919) 834-9160

**CERTIFICATE OF SERVICE**

The undersigned does hereby certify that a copy of the foregoing ***RESPONSE TO MOTION OF CHITTENDEN BANK'S MOTION FOR RELIEF FOR RELIEF FROM STAY*** has been served this 3d day of March, 1999, by depositing a copy of same in the United States mail, first class, postage prepaid, as follows:

Kathryn N. Koonce  
P.O. Box 10096  
Raleigh, NC 27605

Holmes P. Harden  
Maupin, Taylor & Ellis, P.A.  
Highwoods Tower One, Suite 500  
3200 Beechleaf Court  
Raleigh, North Carolina 27604

Marjorie K. Lynch  
Bankruptcy Administrator  
P.O. Box 3758  
Wilson, NC 27895-3758

Terry Gardner, Attorney for Debtor  
P.O. Box 26268  
Raleigh, NC 27611-6268

  
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William P. Janvier